

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: December 17, 2024

To: Heads of All City Departments
(Except Water and Power)

From: Kenneth Mejia, City Controller 

Matthew W. Szabo, City Administrative Officer 

Subject: **UPDATE – RETROACTIVE PAY IN WORKDAY**

On November 15, 2024, the Office of the City Administrative Officer (CAO), in consultation with the Office of the City Controller (Controller's Office), issued a memorandum providing an update to the implementation of compensation plans, i.e., bonuses, in Workday and the need for departments to begin assigning such plans to employees' payroll records.

The CAO's November 15th memo spurred questions about the mechanics and timing of retroactive base wage and bonus payments. This memo provides the latest information around those topics.

Departments are required to assess the applicability of bonuses to an employee's payroll record.

Bonuses that should have been paid starting June 16, 2024, will be calculated and paid through Workday. When an employee's payroll record is updated in Workday with a bonus plan, Workday begins paying the bonus going forward and issues a retroactive payment (back to June 16, 2024, the go-live date for Workday) on an employee's regular pay check.

Bonuses that should have been paid prior to June 16, 2024, will be calculated through a process requiring information technology professionals in the Information Technology Agency (ITA), the Controller's Office, Hess and Associates (the author of PAYSR), and review from departments, to recreate and calculate bonus plans in the City's prior payroll system (PAYSR) and then issue payments through Workday. Any retroactive payment that is calculated from PAYSR records will be issued via emergency, paper check, because PAYSR and Workday are not integrated such that retroactive payments that pre-date Workday's existence can be paid through Workday.

The Controller is working with ITA and Hess and Associates on base wage retroactive payments.

The base wage increases due to members of the Engineers and Architects Associations (EAA)—for the period of January 28 through April 6, 2024—are currently anticipated to be processed via emergency, paper checks (beginning the week of January 19, 2025). This base wage retroactive payment affects all EAA members, numbering approximately 4,500.

The base wage increases due to unions that are affiliated with the Coalition of Los Angeles City Unions (Coalition)—for the period of March 24 through April 7, 2024—are also currently anticipated to be processed via emergency, paper checks, beginning the week of February 18, 2025. This base wage retroactive payment affects all Coalition members, numbering approximately 23,000. In addition to the base wage retroactive calculation and payment to all Coalition members, a second set of calculations for Coalition bargaining unit members is underway. This second set, affecting approximately 1,800 Coalition bargaining unit members, is related to changes in minimum steps and special adjustments that became effective from December 31, 2023, through June 15, 2024. At this time, the issuance of retroactive pay associated with this second set of calculations is unknown.

Please direct questions to either the CAO's Employee Relations Division at cao.erd@lacity.org or to Santiago Li with the Controller's Office at Santiago.Li@lacity.org.

MWS:MCB:PAG:0725060

c: Honorable Mayor Karen Bass
Honorable Tim McOsker, Council Member, Chair of the Personnel, Audits and Hiring Committee
Ted Ross, General Manager, Information Technology Agency
All Employee Organizations